

**ATTORNEYS FOR DEBTOR  
BLUE DUCK ENERGY, LTD.**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
AMARILLO DIVISION



Related to:  
In re: Blue Duck Energy, Ltd.  
Case No. 24-20224-11

## 1

TO THE COURT AND TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that, pursuant to 28 U.S.C. §§ 1334(b) and 1452(a), Federal Rule of Bankruptcy Procedure 9027(a)(1), Local Rule 81.1, and Local Bankruptcy Rule 9027-1, Defendant Blue Duck Energy, Ltd. (“BDE” or “Debtor”) hereby removes to this Court the civil action and all claims and causes of action therein pending in the 192nd Judicial District Court of Dallas County, Texas, Cause No. DC-23-06044 (“Removed Action”).

1. On August 14, 2024, BDE filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Amarillo Division (the “Bankruptcy Case”). BDE sought bankruptcy protection as a result of several factors affecting BDE’s liquidity and to address certain significant liabilities, including: (i) a sustained interruption of production revenue from oil and gas wells in Roberts County, Texas, and significant legal fees and other costs incurred as a result of the bankruptcy of the operator Polaris Operating, LLC<sup>1</sup>; (ii) potential plugging and abandonment liability from thousands of wells located in the THUMS Unit in California<sup>2</sup>; and (iii) significant litigation costs and business interruption costs resulting from the Removed Action. The Bankruptcy Case remains pending.

2. The Removed Action is a civil action that may be removed to this Court pursuant to 28 U.S.C. § 1452(a) because the Court has jurisdiction over the claims asserted therein under 28 U.S.C. § 1334. Section 1334(b) grants this Court “original but not exclusive jurisdiction of all civil proceedings...related to cases under title 11,” and it “is well established that ‘[f]ederal courts have “related to” subject matter jurisdiction over litigation arising from a bankruptcy case if the proceeding could conceivably affect the estate being administered in bankruptcy.’” *In re KSRP, Ltd.*, 809 F.3d 263, 266 (5th Cir. 2015) (quoting *Lone Star Fund V (U.S.), L.P. v. Barclays Bank*

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<sup>1</sup> Record title to the Polaris-operated wells is held by BDE’s wholly owned subsidiary Blue Duck Energy MVR, LLC.

<sup>2</sup> Record title to the THUMS Unit wells is held by BDE’s general partner Blue Duck GP, LLC.

*PLC*, 594 F.3d 383, 386 (5th Cir. 2010)). Moreover, cases “are ‘related to’ a bankruptcy case if they involve legal claims by and against the debtor.” *Menggui Zhang v. Rothrock*, 2006 U.S. Dist. LEXIS 112452, at \*2 (S.D. Tex. Jan. 4, 2006).

3. The Removed Action falls under “related to” jurisdiction because it involves legal claims against the Debtor BDE and could affect the estate being administered in bankruptcy and result in BDE being unable to conduct its business. Further, if there is a judgment rendered against BDE’s co-defendants, BDE might be subject to indemnity and/or contribution claims.

4. Removal by BDE is timely under Federal Rule of Bankruptcy Procedure 9027(a)(2).

5. Pursuant to Federal Rule of Bankruptcy Procedure 9027(a)(1), BDE consents to entry of final orders or judgment by the bankruptcy court.

6. Pursuant to Federal Rule of Bankruptcy Procedure 9027(a)(1) and Local Bankruptcy Rule 9027-1(c), copies of all papers that have been filed in the Removed Action are attached hereto as **Exhibit 1**.

7. Pursuant to 28 U.S.C. § 1446(d) and Federal Rule of Bankruptcy Procedure 9027(b) and (c), BDE will, promptly after filing this Notice of Removal, (1) serve a copy of the notice on all parties to the Removed Action and (2) file a copy of the notice with the clerk of the 192nd Judicial District Court of Dallas County, Texas.

WHEREFORE, Defendant Blue Duck Energy, Ltd. hereby provides notice that the Removed Action, and all claims and causes of action therein, pending in the 192nd Judicial District Court of Dallas County, Texas are removed to this Court.

DATED: August 14, 2024

Respectfully submitted,

/s/ Joshua N. Eppich

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